

The South's Answer

A virile spirit of progress is astir in the South, aroused and sustained by the rapid development of great natural resources. The South replies in positive terms, without reservation or apologies, to the question about its achievements. In this twenty-year record the figures tell a striking story of industrial gains:

	1920	1900
Mfg Products	\$9,800,000,000	\$1,564,180,000
Petroleum, bbls.	254,230,000	17,102,000
Pig Iron, tons	4,401,000	2,642,700
Phosphate, tons	4,048,000	1,489,000

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An Invitation

Members of the A. B. A.

The Convention of the American Bankers' Association now in session at the Commodore Hotel will result as have former similar gatherings in the further advancement of conservative banking principles.

New York City is glad of its opportunity to welcome the visiting members and make their stay a pleasant as well as memorable occasion.

Through direct private wire connections with prominent banks and bankers in many of the principal cities, we are able to offer a comprehensive investment service. We cordially invite members of the A. B. A. to visit our offices, and place all our facilities at their disposal.

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BRANCH BANKS' FOES WANT VOTE BY A. B. A.

State Bank Division by Resolution Opposes Practice 'Harmful to Nation.'

FEDERAL LAWS SOUGHT

Restriction Except in Cities of 100,000 or More Favored in Report.

TURNED DOWN IN DEBATE

R. S. Hecht Says He Has No Fear of 'Mother Institutions' Monopolizing Business.

Developments in the war against branch banks left little doubt yesterday that the out of town bankers waging it intend to carry the fight right to the main floor of the American Bankers Convention.

If they are successful in having the question of branch banking put up to the American Bankers Association, they are likely to meet stiff opposition from the branch banking adherents.

It is generally admitted that the anti-branch bankers are in a great majority at the convention and that they are more solidly arrayed than they have been at any previous time when the same question was projected.

It is said that the one underlying reason for the presence of out of town bankers in such great numbers at the convention was the conviction that the time had arrived for a showdown on the branch banking question.

Enemies to Get Fair Hearing.

According to the Anti-Branch Bankers Association, Thomas B. McAdams, president, and John H. Puelcher, vice-president of the American Bankers Association, have assured the committee of anti-branch bankers that it would get every courtesy and that outside influences would not be permitted to strangle the debate or prevent a vote on the proposition and the resolutions.

The State Bank Division yesterday afternoon passed a resolution in which it said it opposed branch banking in any form. This resolution or a similar one will be presented to the National Bank Division probably tomorrow afternoon at the first meeting of this section. If the resolution is carried, it probably will go before the whole convention the same afternoon.

Through work by their "steering committee" and personal canvasses the anti-branch bankers are said to have assembled a bloc of 150 delegates to support any resolution they may offer. The question will go before the convention under the following designation in the program:

"Wednesday, October 4, 11:35 A. M. Forum. Question: 'Shall National Banks be prevented from establishing branches within their home cities where this privilege is exercised by State banks?'"

"Note—This discussion, lasting one hour and fifteen minutes, will be opened by Mr. Andrew J. Frame, chairman of the Board of the Waukegan National Bank, Waukegan, Wis., and Mr. Waldo Newcomer, president of the National Exchange Bank, Baltimore, Md."

The committee of anti-branch bankers designated by L. N. Powell, chairman of the Cook County Bankers' Association, Chicago, who presided at Sunday's meeting of the bankers at the Hotel Astor, worked all day yesterday in the Hotel Commodore framing suitable resolutions for the general session.

The branch bank question arose at the State bank meeting, presided over by R. S. Hecht, with the reading of the report of the Federal legislative committee, George A. Allen, deputy manager, read the following for Guy E. Bowerman, chairman, who was unable to be present:

"I approach with some hesitation the question of branch banking, although it was discussed at the Chicago meeting, where there was an absence of complete harmony of thought, but after all, no such divergence of opinion as to prevent an amicable agreement."

"None of the committee present have been in the past, are at this time, or expect to be in the future, advocates of branch banking as an integral part of our great financial system. At the same time we all acknowledge, I think, that we are confronted by a fact and not a theory. We recognize that branch banking has arrived. We recognize that ten or twelve States either allow or authorize State chartered institutions to engage in branch banking, and, each being the case, we believe that there should be no discrimination against national banks in those States. The spirit of justice and right, the spirit of fair play and the American spirit of equality of opportunity make no other attitude tenable."

"The question now is not, 'Shall we have branch banking?' but rather, 'What shall we do with branch banking?' It isn't going to arrive, it's here and those who do not look this fact squarely in the face are, I think, standing in their own light."

"There will be no attempt in this report to discuss the merits or demerits of this noted question. The American Bankers Association is on record as being opposed to branch banking. The division has taken a very positive stand against it, and yet the practice grows rapidly and it is gaining ground almost daily. It has ceased to be a matter of ethics, resolution or recommendation and has resolved itself into a matter of Federal and State legislation—State legislation in fact almost exclusively, and this rests largely with the bankers in their respective States."

and control rests with the bankers themselves in their respective States."

"Personally, I have two well established convictions, the first of which is that it is supremely selfish and unworthy of us and just bordering on cowardice, to deny national banks the privilege which their competitors, the State banks, enjoy; second, that just ordinary business prudence and foresight as well as our own protection in the future, prompt us to direct our effort toward circumscribing branch banking to cities of 100,000 population or more and limit them to this field."

"Again, I feel sure that the city banker, in his espousal of branch banking, does not seek to monopolize the banking business of the country, but is actuated by the sincere desire to serve his community more effectively and will, if we aid or, at least, not oppose, this worthy ambition. I have sufficient confidence in the fair-mindedness of this class of bankers to believe that they will respect our wishes in return and leave undisturbed the field now occupied by the smaller banks."

"While the chairman of the Federal Legislative Committee states that branch banking has arrived, he does so only as to the fact. States which have adopted branch banking, Branch banking may have arrived in the twelve States he refers to and his recommendation is excellent, which says 'that if the present laws are unsatisfactory, you should endeavor to correct them by elimination or amendment.'"

"That is fine, I echo that sentiment, but he winds up his report by practically recommending that we adopt in principle the branch banking for all the States to the extent of cities having 100,000 population or more."

"This, he frankly admits, is a personal proposition, a personal suggestion on his part and has nothing to do, it seems to me, with the thought which comes before us as a convention for adoption."

Paragraphs Stricken Out.

The president, Mr. Hecht, suggested that there would be ample time for discussion before the meeting adjourned, and all of the reports might be received and filed, but not approved, which would leave them open for discussion.

Mr. Scudder replied that he would be glad to follow the suggestion if he had more time to spend at the meeting, but that his time was limited.

Mr. Hecht said he was not trying to cut short discussion of branch banking but simply to expedite the program, and was ready to entertain a second motion. Mr. Fahey of Chicago, seconded the motion, which was put in the form that the last two paragraphs of the report be stricken out and that the report then be received and filed.

Does Not Fear Monopoly.

Mr. Hecht, who is president of the National Bank and Trust Company, New Orleans, touched on branch banking in his address, saying:

"At the convention in Los Angeles last year our division was on record as being opposed to branch banking in any form. In the meantime this problem has assumed nation wide interest. Due to the recent efforts to expand the branch banking system on rather large scale in some of the Middle Western States."

"It goes without saying that none of us want to see our independent banking system put in any jeopardy, but, with the exception of one or two States, there probably is no real justification for the fear of some of our bankers that their autonomy and independence are in any danger and that we are threatened with any sort of monopolistic control."

"We should not permit the issue to become unduly confused for there is all the difference in the world between the unrestricted expansion of branch banks on the English and Canadian principle and the permission to operate several offices within the same municipality in which the principal office is located. The one really does carry with it the danger of too much concentration of power in the hands of the few. The other is usually merely convenience to the public—the bringing of the bank to the people."

"After all is said and done, the real place to make a fight against the extension of the branch banking system is at the State convention and the sessions of the State legislatures, because nothing that we can do at this meeting can change the laws of those of the States which permit banks to operate more than one business office."

Wants Federal Law.

"There is, however, one aspect of the case in which all of us have a very direct interest, and that is that we should insist that the Federal Government absolutely prohibit national banks from invading the territory of State banks with 'additional offices' or branches in States where the State law denies the same privilege to State banks."

"We believe that it would be quite unfair to permit banks chartered under the Federal law to compete with State chartered institutions on such unequal terms, and the members of our division should protest most emphatically against any interpretation of the law which would make possible such competition in the States where our own members are denied the same privilege."

"On the other hand we see no occasion for any undue heat and bitterness in the discussion of this subject, nor is there any good reason why this question should be permitted to split the American Bankers Association. Into two hostile camps. It would appear that the proper course to pursue is to reiterate in no uncertain language that our division is opposed to any development of the branch banking system on the English or Canadian principle, especially as in passing such a resolution we will but confirm the action taken by the Kansas City Convention of the American Bankers Association in 1916, and we believe moreover that the vast majority of the membership of all the sections of the association in attendance at this convention will favor the passing of such a resolution."

Resolution Against Branches.
C. S. McCane, vice-president of the Bankers Trust Company of Little Rock, then offered a resolution which was carried unanimously by the State Bank Division and which said regarding branch banks:

"Be It Resolved, That the State Bank Division of the American Bankers Association views with alarm the establishment of branch banking in the United States and the attempt to permit the unrestricted expansion of branch banking, or the establishment of additional offices by banks, as detrimental to the best interests of the people of the United States. Branch banking is, in our opinion, contrary to public policy, and violates the basic principles of our Government, as it concentrates the credits of the nation and the power of money in the hands of a few."

"Be It Resolved, That the appreciation of the State Bank Division of the American Bankers Association be extended to R. S. Hecht, who has so ably served the division as its president, and by his uniform fairness and soundness of judgment and untiring efforts, has influenced the sentiment on the nation for better and sounder banking. Be It Further Resolved, That the membership of the division to the extent where their influence is felt as a powerful factor in the financial affairs



42nd Street in 1883, near Grand Central and the present Hotel Commodore, where the Convention of the American Bankers' Association is now being held.

What Henry Watterson told the Bankers' Convention in 1883

ALL who heard "Marse Henry" that day will agree that he was never in better form. The Convention roared its laughter and thundered its applause.

"Being a provident person, and not without sagacity," he said, "I have always been a friend to the banks. A man may quarrel with his wife; he may sometimes venture a suggestion to his mother-in-law; but he must love, honor and obey his banker."

"..... But I am asked to speak of the South. You can see for yourself here in Louisville what the South has done; what the South can do. If all this has been achieved without credit, and without your powerful aid—and I am now addressing myself to the North and East, which have feared to come South

with their money—what might not be achieved if capital should add this land of wine and milk and honey to their fields of investment and give us the same cheap rates which are enjoyed by nearer, but not safer, borrowers?"

We rather suspect that "Marse Henry's" behavior toward his banker would not be considered either bad form or out-of-date in 1922. But what a great change has taken place in the attitude of capital toward investment in the South since 1883!

The "old" Seaboard was a new bank in that year, but it was showing then a characteristic that it has constantly held. This bank has always considered it a privilege to co-operate with sound business whether located South, East, North or West.

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Near Madison Ave.



of the country. He has given a full and fair hearing, and an opportunity for expression of view to all members on all questions presented."

"Be It Resolved, That the thanks of the division be extended to its able deputy manager, George E. Allen, whose beneficent influence has been constantly felt in the successful activities of the division, and that we wish for him continued health, happiness and prosperity."

The following Resolutions Committee of the State Bank Division was appointed: C. S. McCane, vice-president, Bankers Trust Company, Little Rock, chairman; Roy O. West, director, Bank of Dwight, Dwight, Ill.; P. T. Hodgson, cashier, Farmers and Merchants Bank, Hannibal, Mo.; Grant McPherrin, president, Central State Bank, Des Moines, and M. B. Wells, vice-president, Home Savings Bank, Milwaukee.

OPERATORS REJECT COAL PANAL PLAN

Will Not Offer List of Men Dissatisfied With Industry.

CLEVELAND, Oct. 2 (Associated Press).—Developments late to-night indicated that there was a pronounced lack of harmony within the ranks of bituminous coal operators, in session with miners here to formulate a plan for negotiating

future wage scales, when it was learned that the operators in caucus this afternoon rejected a proposal of the Federal Government that a panel of twenty names of persons associated with the coal industry be submitted to President Harding for use in creation of a committee provided under the Borah-Wilson law recently passed by Congress.

At the operators' caucus this afternoon a telegram was read from Herbert Hoover, Secretary of Commerce, and James J. Davis, Secretary of Labor, addressed to Thomas K. Maher of Cleveland, temporary chairman of the joint conference of operators and miners, asking the conference to submit to the President a panel of twenty names of persons associated with the coal industry which might be included in the Federal fact-finding coal investigation. The telegram, a copy of which was also sent to John L. Lewis, president of the United Mine Workers of America, requested in the name of President Harding that this panel be submitted by the joint conference to-morrow.

EMPIRE GAS HAS NEW POOL.

The Empire Gas and Fuel Company, the principal petroleum subsidiary of Cities Service Company, opened a new oil pool with the completion of its new well in Cowley County, Kansas. The well is flowing at the rate of 500 barrels a day. The well is in the center of a block of 2,000 acres recently acquired by the Empire Company upon the recommendation of its geologists.

BANKERS MAY CONSIDER MOVING HEADQUARTERS

Some Favor Washington, but N. Y. Will Oppose Change.

Another controversial question that may come before the American Bankers Association Convention is that of whether the headquarters of the Association should remain in New York or be removed to Washington. The question is no new one in the association, and sentiment has been growing rapidly in recent years, particularly among national bankers, that headquarters should be in the capital.

At the meeting of the association at White Sulphur Springs last spring a committee of twenty-five was appointed to consider the question of moving headquarters. John R. Puelcher, first vice-president of the association, was appointed chairman of the committee.

STRIKING SHOPMEN WILL RETURN TO THEIR WORK

Have Settled Difficulties With American Locomotive Co.

John J. Dowd, chairman of the Central Strike Committee for the Metropolitan District, announced last night that the striking railroad shopmen had settled their difficulties with the American Locomotive Company and the men of the Cooke plant at Paterson, N. J., would return to work to-morrow morning. The men of this plant have been out on strike for eight weeks, having gone on a sympathetic strike when the Erie contracted with the company to repair the road's locomotives.